EXHIBIT 7

FCA
FIAT CHRYSLER AUTOMOBILES

October 15, 2019

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED
9407110699945044765958

Steven M. Koufakis
President
Metro Chrysler Plymouth, Inc.
d/b/a Star Chrysler Jeep Dodge Fiat
211-10 Jamaica Avenue
Queens Village, NY 11428-1541

cc: Shaun M. Malone
Bellavia Blatt, P.C.
200 Old Country Road, Suite 400
Mineola, NY 11501

Re: **NOTICE OF DEFAULT DATED APRIL 24, 2019**
CHRYSLER, DODGE, JEEP, AND RAM SALES AND SERVICE AGREEMENTS

Dear Mr. Koufakis:

As you know, in a Notice of Default dated April 24, 2019, FCA US LLC ("FCA US"), formerly known as Chrysler Group LLC, notified Metro Chrysler Plymouth Inc. d/b/a Star Chrysler Jeep Dodge Fiat ("Dealer") and you with due cause and in good faith of your dealership's material breaches of the reasonable, necessary, and material contractual obligations set forth in its Chrysler, Dodge, Jeep, and RAM ("CDJR") Sales and Service Agreements ("Dealer Agreements") with respect to retail sales performance, customer satisfaction, working capital, and net worth. In the Notice of Default, we requested that your dealership cure the identified breaches by:

(i) Achieving the contractual minimum of 100% of its Minimum Sales Responsibility ("MSR") by October 31, 2019;

(ii) Achieving rolling 3-month CPS Sales and Service Advocacy scores equal to or greater than the average of Dealer's National Sales Level Group for each of the months from May 2019 through October 2019;

(iii) Ensuring that its actual working capital meets the requirements of the Working Capital Guide by October 31, 2019; and

(iv) Maintaining the net worth necessary to successfully carry out all of its obligations under each Dealer Agreement by October 31, 2019.

We further informed you that your dealership's failure to cure the identified breaches by October 31, 2019 may result in FCA US exercising its rights and remedies pursuant to the Dealer

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Agreements and applicable law (including New York Vehicle and Traffic Law § 463 (the "Statute")), including, without limitation, issuing a notice of termination of the Dealer Agreements.

We write now to provide more recent information and data with respect to your dealership's performance of these contractual obligations.

YOUR DEALERSHIP'S SALES PERFORMANCE OBLIGATIONS

Under the Dealer Agreements, your dealership agreed to use its "best efforts to promote energetically and sell aggressively and effectively at retail" each and every model of each vehicle line covered by the respective Dealer Agreement. Your dealership also agreed to "actively and effectively sell and promote the retail sale" of each vehicle line in its assigned Sales Locality. Your dealership also agreed to achieve its MSR for each vehicle line. These obligations are set forth in Paragraph 4 of each Dealer Agreement and Paragraph 11(a) of the Additional Provisions of each Dealer Agreement.

The following charts show your dealership's recent and historic MSR performance:

All Lines:

Month/Year Year-to-Date (YTD)	Dealer's Sales	Dealer's Sales Needed to Obtain 100% MSR	% MSR Attained	Sales Dealer Lost (vs MSR)
June 2019	249	901	27.6%	(652)
December 2018	817	2,025	40.4%	(1208)
December 2017	1,082	1,903	56.9%	(821)
December 2016	1,381	2,056	67.2%	(675)
December 2015	1,465	2,296	63.8%	(831)
December 2014	947	2,115	44.8%	(1168)
December 2013	749	1,624	46.1%	(875)
December 2012	760	935	81.3%	(202)
December 2011	622	771	80.7%	(163)

Chrysler:

Month/Year (YTD)	Dealer's Sales	Dealer's Sales Needed to Obtain 100% MSR	% MSR Attained	Sales Dealer Lost (vs MSR)
June 2019	19	75	25.3%	(56)
December 2018	75	180	41.7%	(105)
December 2017	70	195	35.9%	(125)
December 2016	138	237	58.2%	(99)
December 2015	238	377	63.1%	(139)
December 2014	151	389	38.8%	(238)
December 2013	123	343	35.9%	(220)
December 2012	137	234	58.6%	(97)
December 2011	104	180	57.8%	(76)

Dodge:

Month/Year (YTD)	Dealer's Sales	Dealer's Sales Needed to Obtain 100% MSR	% MSR Attained	Sales Dealer Lost (vs MSR)
June 2019	44	128	34.4%	(84)
December 2018	141	327	43.1%	(186)
December 2017	208	388	53.6%	(180)
December 2016	259	439	59.0%	(180)
December 2015	318	511	62.2%	(193)
December 2014	308	589	52.3%	(281)
December 2013	341	545	62.6%	(204)
December 2012	259	232	111.6%	0
December 2011	225	211	106.6%	0

Jeep:

Month/Year (YTD)	Dealer's Sales	Dealer's Sales Needed to Obtain 100% MSR	% MSR Attained	Sales Dealer Lost (vs MSR)
June 2019	172	654	26.3%	(482)
December 2018	577	1437	40.2%	(860)
December 2017	764	1240	61.6%	(476)
December 2016	943	1309	72.0%	(366)
December 2015	871	1354	64.3%	(483)
December 2014	453	1085	41.8%	(632)
December 2013	259	700	37.0%	(441)
December 2012	355	450	78.9%	(95)
December 2011	293	380	77.1%	(87)

RAM:

Month/Year (YTD)	Dealer's Sales	Dealer's Sales Needed to Obtain 100% MSR	% MSR Attained	Sales Dealer Lost (vs MSR)
June 2019	14	44	31.8%	(30)
December 2018	24	81	29.6%	(57)
December 2017	40	80	50.0%	(40)
December 2016	41	71	57.8%	(30)
December 2015	38	54	70.4%	(16)
December 2014	35	52	67.3%	(17)
December 2013	26	36	72.2%	(10)
December 2012	9	19	47.4%	(10)

As shown above, for each vehicle line that you represent, and for the CDJR lines in the aggregate, your dealership's sales remain *substantially* below its contractual MSR requirement of 100% MSR. Indeed, your dealership is barely reaching *one-quarter* of its aggregate MSR obligation through June 2019 YTD and, in fact, your dealership has not even come close to reaching 100% MSR in the aggregate for well over *eight years*. This type of deficient sales performance is simply unacceptable. To be sure, we are not writing to alert you to some minor shortfall in your dealership's sales performance. Rather, your dealership's deficient sales performance, as measured against the minimum expected volume of retail new vehicle sales, has resulted in a loss of *thousands* of new retail sales, including at least 6,432 lost CDJR sales since January 1, 2012. That is a staggering number of lost sales.

Moreover, your dealership is failing to effectively represent the CDJR lines in its assigned trade zone. Your dealership's trade zone was only 83% registration effective through June 2019 YTD, which means significant additional unrealized opportunity exists for the CDJR lines.

In addition, your dealership is failing to capitalize on the demand for CDJR line vehicles in its assigned trade zone. Instead, other CDJR line dealers account for a substantial majority of registrations in your dealership's trade zone. Indeed, through June 2019 YTD, your dealership sold *only* 11% of new CDJR line vehicles registered in its trade zone.

The data points above demonstrate that your dealership is failing to actively, effectively, energetically, and aggressively promote and sell at retail CDJR line vehicles in its Sales Locality, as it agreed to do in Paragraphs 4 and 11(a) of its Dealer Agreements and, therefore, continues to be in breach of a material term of the Dealer Agreements. It is imperative that you take immediate steps to address your dealership's deficient sales performance.

AS A REMINDER, YOUR DEALERSHIP MUST CURE ITS RETAIL SALES PERFORMANCE DEFAULT BY ACHIEVING 100% OF ITS MSR OBLIGATION BY <u>OCTOBER 31, 2019</u>.

<u>YOUR DEALERSHIP'S CUSTOMER SATISFACTION PERFORMANCE</u>

We also continue to be concerned about your dealership's performance in the area of customer satisfaction. Your dealership has been failing to consistently meet the expected performance in the area of customer satisfaction, including by failing to consistently achieve levels of Sales Advocacy and Service Advocacy that are equal to or better than the average of your dealership's National Sales Level Group. This lack of expected performance in the area of customer satisfaction is likely a contributing factor to your dealership's failure to comply with its retail sales obligations under its Dealer Agreements. As you know, we rely on our dealers to represent our brands to our customers. It is in our collective best interest that you take immediate steps to improve your dealership's performance in this critical area.

<u>YOUR DEALERSHIP'S WORKING CAPITAL OBLIGATIONS</u>

In Paragraph 11(e) of your Dealer Agreements, your dealership agreed to maintain the net working capital necessary to successfully carry out all of its obligations under each Dealer Agreement in accordance with the Working Capital Guide and any applicable Minimum Working Capital Agreement.

The following chart shows your dealership's working capital deficiencies:

Month/Year	Dealer's Working Capital	Working Capital Guide	Working Capital Deficiency
July 2019	$729,992	$3,400,000	($2,670,008)
December 2018	$221,245	$3,200,000	($2,978,755)
December 2017	$1,995,454	$3,400,000	($1,404,546)
December 2016	$3,157,995	$4,078,800	($920,805)
December 2015	$3,747,155	$3,504,600	$0
December 2014	$3,026,049	$3,211,200	($185,151)
December 2013	$2,207,046	$2,391,900	($184,854)
December 2012	$1,688,124	$1,834,800	($146,676)
December 2011	$1,581,058	$1,826,000	($244,942)

As demonstrated above, your dealership still is not meeting its working capital obligations.

AS A REMINDER, YOUR DEALERSHIP MUST CURE ITS WORKING CAPITAL DEFAULT BY OCTOBER 31, 2019. Your dealership may cure this default by ensuring that its actual working capital meets the requirements of the Working Capital Guide by October 31, 2019.

OPPORTUNITY TO CURE DEFAULTS

IF YOUR DEALERSHIP FAILS TO CURE THE FOREGOING DEFAULTS AS INDICATED BY OCTOBER 31, 2019, FCA US INTENDS TO EXERCISE ITS RIGHTS AND REMEDIES PURSUANT TO THE DEALER AGREEMENTS AND APPLICABLE LAW (INCLUDING THE STATUTE), INCLUDING, WITHOUT LIMITATION, ISSUING A NOTICE OF TERMINATION OF THE DEALER AGREEMENTS.

Also, we remind you that under Paragraph 28(b)(xiii) of the Additional Provisions, FCA US may terminate any of the Dealer Agreements if FCA US were to notice the termination of any other Dealer Agreement.

As always, we stand ready to assist you in your efforts to improve your dealership's performance. As a reminder, FCA US provides many tools and programs for you to use in your efforts to improve your dealership's performance, including those tools and programs set forth in **Appendix A**. In addition, we encourage you to contact your Area Manager should you wish to discuss your dealership operations and performance.

We remain hopeful that you share our desire to reverse the matters addressed in this letter and the Notice of Default. Please feel free to call us to discuss these issues.

Sincerely,

David Creighton

Sales Operations Sr. Manager

Northeast Business Center

Tim Warner

Dealer Network Development Manager

Northeast Business Center

DC: 68242
BC: 32 - NEBC

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APPENDIX A – Dealer Assistance Tools and Programs

- Marketing Planner. This is FCA US's in-house Sales TDM program for marketing new vehicles.
- Customer Experience. This tool provides direct to dealer feedback from customers, analysis, and comparison to sales group averages.
- Sales, Service, Parts Hiring Program. This program partners participating dealers with CareerBuilder.com to assist dealers in identifying qualified dealership personnel.
- I-EXAM. This tool provides dealership financial statement analysis and comparisons to other group dealers in similar markets (group averages), as well as providing department specific "Thought Starters" to promote effective change.
- MarketMaster Online. This program is a comprehensive performance management tool that provides sales assessment and promotes best practices. The program calculates and spotlights vehicle Sales Opportunity by pinpointing areas that need special attention both geographically and by vehicle segment. Monthly enrollment fees apply.
- Vehicle Ordering and Inventory Management. This program analyzes sales to assist dealers in ordering fast turning vehicles.
- FCA Digital Engage. This program assists dealers in improving performance on sales leads.
- Volume Based Objective Report. This report helps dealers track their performance toward earning incentives.
- PAP Advertising Co-op. This program provides for FCA US financial support to offset dealer advertising expenses.
- FCA Performance Institute. This program provides comprehensive training in various aspects of dealership operations to all dealership employees across all dealership departments.
- Balanced Operations and Productivity Cards. This tool provides financial guidelines for each dealership department based on business management group size.
- Working Capital Guide Minimums Card. This tool provides working capital guidelines per unit volume, as well as minimum working capital guidelines based on business management group size.

Each of the above-listed Dealer Assistance Tools and Programs may be accessed on DealerConnect and/or is available by contacting your dealership's Business Center representatives.

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